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INDIAN ISSUES

GAO's Analysis of Land
Ownership at 12 Reservations

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Mr. Chairman, Mr. Vice-Chairman, and members of the Committee:

I am pleased to be here today to discuss our recent report to you on land ownership at 12 Indian reservations.¹ For these 12 reservations, the report describes (1) the ownership of Indian land, (2) the Department of the Interior's Bureau of Indian Affairs' (BIA's) workload in maintaining ownership records, and (3) the Indian Land Consolidation Act's effect on multiple ownership of land tracts by small ownership interests, referred to as fractionation. In requesting our testimony you also asked us to discuss how we used BIA's computerized land records data base to develop the information contained in our report.

In summary, we found that

- Over half of the 83,000 land tracts at the 12 reservations had only one owner, either the tribe or an Indian individual.
- Ownership of about 20 percent of the tracts was fractionated to the point where at least one Indian individual had an interest of 2 percent or less and, in extreme cases, hundreds of owners had ownership interests of 2 percent or less.
- For the 12 reservations, about 60 percent of the 1 million ownership records maintained by BIA represented ownership interests of 2 percent or less that were held by Indian individuals.
- While the Indian Land Consolidation Act had resulted in some small ownership interests being transferred to tribes, the number of small interests held by Indian individuals had more than doubled since the act was passed in 1983.

To develop the above information, we uploaded data from BIA's Land Records Information System to a mainframe computer and used computer software programs to produce the charts and tables in the report.

BACKGROUND

The Secretary of the Interior administers land for Indian individuals and tribes through BIA.² Key components of BIA's management responsibilities are maintaining land ownership records

¹Indian Programs: Profile of Land Ownership at 12 Reservations (GAO/RCED-92-96BR, Feb. 10, 1992).

²Indian land administered by Interior consists of trust land and land in restricted status.

and title documents, negotiating and awarding leases and permits for use of the land, and distributing the income generated by leases and permits to the Indian land owners.

Land held for individual Indians and tribes includes both surface and subsurface (oil, gas, and mineral) components. The components are accounted for as separate tracts when their ownership differs; otherwise they are treated as one tract. BIA maintains land records according to a tract identification number. In the land's historical pattern of changing ownership, some tracts have been sold or transferred to non-Indian ownership. As this has occurred, such land has been removed from Interior's responsibility and ownership records are no longer maintained.

In 1983 the Congress enacted the Indian Land Consolidation Act. One purpose of the act was to reduce the extent of fractionation of individual Indian land ownership. The act provides that, under certain conditions, an individual Indian ownership interest of 2 percent or less in a tract of land will transfer to the respective tribe upon an owner's death, instead of transferring to the decedent's heirs. This transfer of ownership to the tribe is referred to as "escheatment".

HIGHLIGHTS RELATING TO FRACTIONATED LAND OWNERSHIP

For the 12 reservations included in our review, the Indian land was divided into 82,978 designated tracts. These tracts were generally 40 acres or larger, and many were at least 160 acres. Ownership of these tracts was as follows:

- Tribes owned about 35 percent as sole owners.
- Indian individuals owned another 21 percent as sole owners.
- Almost all of the remaining tracts, or about 44 percent, had multiple ownership.

With regard to the multiple-ownership tracts, which total over 36,000, ownership was shared among Indian individuals on over 20,000 tracts; among Indian individuals and the tribe on about 8,650 tracts; and among Indian individuals, the tribes, and non-Indians on about 7,400 tracts. Nearly half of the multiple-owner tracts had 11 or more Indian individuals as owners.

When examining multiple-ownership tracts in terms of the percent of ownership interest held by owners, our work showed that nearly 47 percent had at least one ownership interest of 2 percent or less, and over 27 percent of the tracts had 11 or more interests of 2 percent or less. In extreme cases, we found that the number of small ownership interests in a single tract of land had reached in the hundreds--over 500 in one case. We also noted extreme cases

where Indian individuals had many ownership interests in many tracts.

BIA's recordkeeping for Indian land ownership is substantial. Of the over 1 million land ownership records maintained by BIA for the 12 reservations, over 927,000 or about 87 percent represented ownership records for Indian individuals. About 67 percent of these individual Indian ownership records represented interests of 2 percent or less.

At the time of our work, the small ownership escheatment provision of the Indian Land Consolidation Act had resulted in about 16,400 ownership interests of 2 percent or less being transferred to the respective tribe upon the death of the Indian owner. However, the number of 2 percent or less ownership interests had more than doubled--from about 305,000 to over 620,000--during that same period.

WORKING WITH BIA'S LAND RECORDS DATA BASE

To determine the land ownership on the 12 reservations, we obtained a computerized data base from BIA's National Technical Support Center in Albuquerque, New Mexico. This data base contains BIA's official record of land ownership.

To develop the information contained in our report, we requested--and BIA provided--a copy, in magnetic tape form, of selected information from this data base for the 12 reservations. The information we requested included the tract identification number, size of the tract in acres, owner identification number, type of owner (tribe, Indian, non-Indian, etc.), and percent ownership interest. This "master" file of data was uploaded to a mainframe computer, and we wrote computer programs to search the master file for key data elements and to count the instances where specific data elements appeared. Through a series of searches through the master file, we were able to develop most of the charts and tables contained in our report.

Mr. Chairman, this concludes my prepared statement. I would like to submit for the record a copy of our report on land ownership patterns at 12 reservations. I also would be pleased to respond to any questions you or members of the Committee may have.

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